



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0589

Introduced 2/5/2007, by Rep. Carolyn H. Krause

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Allows an income tax credit in an amount equal to 15% of the premium costs paid for a qualified long-term care insurance contract covering the individual taxpayer or the taxpayer's spouse, parent, or dependent. Provides that the credit may not exceed \$200 with respect to any qualified long-term care insurance contract. Provides that the credit may not be carried forward or back and may not reduce the taxpayer's liability to less than zero. Exempts the credit from the sunset provisions. Effective immediately.

LRB095 04582 BDD 24637 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Tax credit for long-term care insurance premiums.

8 (a) For taxable years ending on or after December 31, 2007,
9 an individual taxpayer is entitled to a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 in an amount,
11 subject to the limitations set forth under subsection (b),
12 equal to 15% of the premium costs paid, during the taxable
13 year, by the taxpayer for a qualified long-term care insurance
14 contract that offers coverage to the taxpayer or to the
15 taxpayer's spouse, parent, or dependent.

16 (b) The credit allowed under this Section may not exceed
17 \$200 with respect to any qualified long-term care policy. A
18 taxpayer is not entitled to the credit with respect to amounts
19 expended for the same qualified long-term care insurance
20 contract that are claimed by another taxpayer.

21 The credit under this Section may not be carried forward or
22 back and may not reduce the taxpayer's liability to less than
23 zero.

1 (c) The provisions of Section 250 do not apply to the
2 credit under this Section.

3 (d) For the purposes of this Section:

4 "Qualified long-term care insurance contract" has the
5 meaning set forth under Section 7702B of the Internal Revenue
6 Code.

7 "Dependent" has the meaning set forth under Section 152 of
8 the Internal Revenue Code.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.